

ORDINANCE NO. 443-2026
(VIRTUAL CURRENCY KIOSK BAN)

AN ORDINANCE DEFINING VIRTUAL CURRENCY KIOSKS AND MAKING IT AN
INFRACTION FOR A PERSON OR BUSINESS TO ALLOW SUCH A MACHINE ON THEIR
PROPERTY; AND CREATING AN INFRACTION PENALTY FOR VIOLATIONS OF
ORDINANCE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, criminal actors use virtual currency kiosks as a means of obtaining money from victims through government-impersonation scams, law-enforcement and jury-duty scams, technical-support scams, financial-institution scams, romance scams, investment schemes, extortion, and other fraudulent conduct; and

WHEREAS, these schemes commonly employ fear, urgency, intimidation, deception, and psychological manipulation to convince victims that they must immediately withdraw cash and deposit it into a virtual currency kiosk in order to avoid arrest, protect a financial account, assist a family member, obtain an investment return, or resolve another fabricated emergency; and

WHEREAS, virtual currency kiosks, commonly referred to as cryptocurrency automated teller machines, or crypto ATMs are electronic terminals located in businesses and other places accessible to the public that allow a person to exchange cash or other monetary value for virtual currency and transmit that virtual currency to a digital wallet; and

WHEREAS, virtual currency kiosk scams disproportionately harm older adults and other residents who may be particularly susceptible to coercion, technology-based deception, government impersonation, or financial exploitation; and

WHEREAS, the **Ada County Sheriff and Star City Police Department** has received, investigated, or assisted with numerous reports in which victims were directed by scammers to withdraw money and deposit that money into a virtual currency kiosk, resulting in substantial and frequently unrecoverable financial losses to residents of the City and has documented examples in which victims lost hundreds of thousands of dollars through transactions involving such kiosks; and

WHEREAS, virtual currency kiosk transactions are generally not subject to the chargeback, cancellation, fraud-hold, or reversal protections commonly associated with traditional consumer financial transactions machines such as automated teller machines (ATMs); and

WHEREAS, once virtual currency purchased through a kiosk has been transmitted to a digital wallet controlled by a criminal actor, the transaction may be difficult or impossible to reverse, and the funds may be rapidly transferred through additional wallets or to persons located outside the jurisdiction of local law enforcement; particularly when funds have been transferred to foreign jurisdictions, and

WHEREAS, the speed and finality of virtual currency kiosk transactions substantially limit the opportunity for financial institutions, family members, retail employees, law enforcement officers, or other persons to intervene before a victim's funds are lost; and

WHEREAS, public education, warning signs, transaction disclosures, and other preventative measures have not adequately eliminated the use of virtual currency kiosks in fraudulent schemes, particularly

when a scammer remains in telephone or electronic contact with a victim and instructs the victim how to complete the transaction; and

WHEREAS, the City has a substantial and legitimate interest in protecting its residents, including older adults and other vulnerable persons, from financial exploitation, fraud, intimidation, and the devastating personal and financial consequences associated with virtual currency kiosk scams; and

WHEREAS, the City finds that the continued placement and operation of publicly accessible virtual currency kiosks within the City creates an unreasonable risk of financial exploitation, imposes demands upon City law-enforcement resources, and is detrimental to the public health, safety, peace, welfare, and good order of the community; and

WHEREAS, this Ordinance is directed solely at the placement, hosting, maintenance, and operation of physical virtual currency kiosks within the City and is not intended to prohibit or regulate the ownership of virtual currency or virtual-currency transactions conducted without the use of a publicly accessible kiosk; and

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF STAR, IDAHO, as follows:

#.01 Definitions: The following words and terms, when used in this Section, shall have the following meaning:

- a. **"Virtual Currency"** means a digital representation of value that is used as a medium of exchange, a unit of account, or a store of value, but does not have legal tender status as recognized by the United States Government.
- b. **"Virtual Currency Kiosk"** means an electronic terminal or any other similar automated device, located in places of business, or areas generally accessible to the public, which acts as a mechanical agent of the Virtual Currency Kiosk Operator, enabling the exchange of Virtual Currency for money, bank credit, or other virtual currency. The term "Virtual Currency Kiosk" shall not include personal technology such as a personal computer, tablet, mobile device, or digital wallet used by an individual for personal, non-commercial purchase, sale, or storage of virtual currency or digital assets or point-of-sale terminals used by a merchant for the sole purpose of accepting virtual currency as payment for legal goods or services offered by the merchant.
- c. **"Virtual Currency Kiosk Operator"** means a person or entity that: knowingly permits the use or installation of a virtual currency kiosk on property owned, leased or controlled by the person or entity; operates a Virtual Currency Kiosk within the limits of the City of STAR; or owns a Virtual Currency Kiosk that is either located or operated within the limits of the City of STAR.

#.02 Prohibited: It shall be unlawful for any person or entity to host, allow, operate, permit, locate or place a Virtual Currency Kiosk within the limits of the City of STAR. A violation of this Section shall constitute an infraction. All Virtual Currency Kiosks existing in the City as of the Effective Date of this

Ordinance must be removed within sixty (60) days after the Effective Date. Failure to remove a Virtual Currency Kiosk within the 60-day period shall constitute an infraction and shall be a penalty of \$100 dollars, with each day of continued violation constituting a separate offense.

#.03 Exceptions: This ordinance shall not be construed to regulate, restrict, or prohibit the personal possession, storage, or transfer of Virtual Currency by an individual, provided such activity does not involve the use of a Virtual Currency Kiosk as defined in this ordinance and does not apply to transactions conducted via personal computers, mobile devices, or software-based virtual currency wallets that are not part of a Virtual Currency Kiosk located within the city.

.04 Effective Date: This Ordinance shall take effect and be in force from and after its passage, approval, and publication as required by law. In lieu of publication of the entire Ordinance, a summary thereof in compliance with Section 50-901A, Idaho Code maybe be published.

DATED this ____ day of _____, 2026.

CITY OF STAR
Ada and Canyon County, Idaho

BY: _____
Trevor A. Chadwick, Mayor

ATTEST:

Shelly Tilton, City Clerk